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**COBY TO: Mr. Reber, Dept. of State**

**13 September 1946**

**COUNTRY : [ ] Yugoslavia**

**SUBJECT : Future Plans of Yugoslav Penetration  
into the Trieste Free State**

**DATE OF INFORMATION : 28 August 1946**

[ ]

**TO : Mr. Walter Dowling, Italian Desk  
Division of Southern European Affairs  
Department of State**

**FROM : Chief, Dissemination Branch, ESU**

The following report has been received [ ]  
and is being sent to you in the belief that it may be of interest:

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1. Meetings in which functionaries of PNOO (Primorske Narodno Osveobodilni Odber) Dr. Boris Puc, general secretary, Mr. Perko, Chief of the Economic Political Commission, Dr. Pretner, UIVOE official, Dr. Kovacic director of CKNTROPROM Trieste and numerous other Slovene merchants and industrialists of the Zone took part were held in Trieste at via Ruggero Marra 29, on 31 July, 2 and 4 August.

2. During the course of the meeting, on the initiative of the PNOO representatives the creation of a Slovene Chamber of Commerce was discussed. This new chamber of commerce would include all Slovene industrialists, large and small business men and workers in the zone which will constitute the new Free State of Trieste.

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3. The PNOO representatives proposed that the Chamber of Commerce when formed should be directly responsible to Belgrade whose directives it would follow both to expedite its normal activity and to become a political and economic propaganda center.

4. The merchants voted down the proposal commenting that 1) the Chamber of Commerce as such had no reasons to exist as the interests of businessmen of this zone should be taken care of in accordance with local necessities and by people of the area who would know of these necessities and not by Belgrade and 2) the use of the organization as a political center would only duplicate the activity of already existing organizations of that type.

5. After lengthy discussions a compromise was reached whereby 1) the Chamber of Commerce would be directed by a council of three members chosen from among the local businessmen and the tasks of the Chamber would be economic and 2) its activity would fall in line with the general trend of Yugoslav economy.

6. In a few days, on the invitation of the PNOO, a committee of businessmen of the zone will go to Belgrade to perfect the constitution of this new organization and to reach definite agreements.

7. Another meeting was held at Abbazia on 9 and 10 August. Among those present were: Regent Stoka, Kepitar, the Political Secretary of CENTROPRON and Dr. Zidar, Director of the Secretariat of the Lavoratore. During the meeting it was decided that in the event Trieste became a Free State without Yugoslavia's wishes being taken into consideration, Yugoslavia would support the following policy:

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- (a) Close all lines of communication from Europe to Trieste;
- (b) Boycott the new State economically;
- (c) Withdraw all official and non-official organizations which represent Yugoslavia;
- (d) Give instructions to the PCO (Giulian Communist Party) to intensify activities tending to create discontent among the population with strikes, sabotage, and disorders.
- (e) Keep in Trieste the proposed Slovene Chamber of Commerce.

5X1  **Comment:** There are indications to the effect that local Yugoslav organizations are undergoing a shaffle. It is expected that the most well-known organization will withdraw but there is reason to believe that plans are at present being made to intensify their activities for intelligence purposes, to infiltrate into economic circles and to attempt in any way possible to gain a dominating influence in the new state.

5X1 **Chief, Dissemination Branch,  
SSU**

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